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Ford ad buy fuels Super Bowl fillup

By VERNE GAY

NEW YORK—It's last call for the Super Bowl.

Despite its breathtaking $1 million-a-minute price tag, ABC's broadcast of the 1985 Super Bowl moved much closer to a sellout last week when the Ford division of Ford Motor Co. locked up domestic auto sponsorship as part of a $10 million package buy. J. Walter Thompson USA, Detroit, is Ford's agency.

At press time, ABC had only two remaining unsold minutes in the game.

The deal with Ford is ABC's biggest coup to date in its struggle to maintain pricing on Super Bowl XIX. In September, Chevrolet, the incumbent domestic auto sponsor, decided against taking its option to participate in the game as a protest of the $1 million price tag. Observers at the time had predicted ABC would be forced to split the domestic auto sponsorship between several auto makers, leaving open the possibility for "opportunistic buys" on the game at prices far below the $525,000 going rate for individual 30-second spots (AA, Sept. 24, *et seq.*).

The importance to ABC of maintaining single auto exclusivity was underscored by the network's willingness to sell Ford five spots in the Super Bowl as the lesser part of a "special events" package that includes more than $7 million in time on the fall, 1985, ABC 10-hour miniseries "North and South."

Ford's move also signals the seriousness of its com-

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Super Bowls' super costly 30s

This chart shows the year-by-year increases in the average cost of a 30-second commercial on the Super Bowl broadcast over the past 10 years. While the average rating of audience has remained relatively constant, the prices have escalated more than 400% since 1975 and cost-per-thousand rates have increased threefold.

This year, the average Super Bowl commercial will cost between $500,000 (on a package or exclusivity deal) and $525,000 for a single unit. The 1985 Super Bowl price hike is the greatest since 1982, the first Super Bowl after the NFL season was interrupted by the players' strike. *Source: Lord, Geller, Frederico, Einstein and J. Walter Thompson USA, New York.*

Year	Game *(winner in bold)*	Cost	CPM	Rating
1975	**Pittsburgh** vs. Minnesota	$110,000	3.74	42.4
1976	**Pittsburgh** vs. Dallas	125,000	3.96	42.3
1977	**Oakland** vs. Minnesota	162,000	4.72	44.4
1978	**Dallas** vs. Denver	185,000	5.27	47.2
1979	**Pittsburgh** vs. Dallas	222,000	6.28	47.1
1980	**Pittsburgh** vs. Los Angeles	225,000	6.39	46.3
1981	**Oakland** vs. Philadelphia	275,000	7.98	44.4
1982	**San Francisco** vs. Cincinnati	335,000	8.31	49.1
1983	**Washington** vs. Miami	400,000	9.94	48.6
1984	**Los Angeles** vs. Washington	445,000	11.41	46.4
1985	**Unknown**	525,000	13.00	48.0

Court protects Chiat/Day from Godfather's hit

By SCOTT HUME and RUTH STROUD

LOS ANGELES—A state appeals court last week freed Chiat/Day from a controversial court order barring key staffers from working on the agency's Pizza Hut account.

For Chiat, the appellate court's action takes some of the sting out of its bitter court fight with Godfather's Pizza, an advertiser it first courted, then jilted in favor of the more lucrative Pizza Hut business.

It also should calm the national ad agency community's fears that the California courts were on the verge of setting new standards of conduct for agencies that pursue the business of rival advertisers.

The American Assn. of Advertising Agencies had intervened directly on Chiat's behalf to protest a trial court's initial decision in the case.

Chiat's victory was not complete, however. Part of Godfather's Round 1 court victory—an order barring agency executives from disclosing confidential Godfather's marketing information—was upheld by the appeals court.

Still to be decided is the suit filed by Costa Mesa, Cal.-based Godfather's, a division of Diversifoods, Itasca, Ill. The suit, filed against Chiat last July (AA, July 16, *et seq.*), charges that the agency withdrew from the competition for its $5 million creative account to pursue the $20 million account of Godfather's major competitor, Wichita-based Pizza Hut.

The suit alleges breach of fiduciary duty, unfair competition, breach of contract and breach of implied covenants of good faith. It seeks punitive damages of $10 million or 20% of Chiat/Day's net worth, whichever is greater.

It also sought the injunction prohibiting Chiat/Day from disclosing the sensitive marketing information it had given the agency and prohibiting 10 agency staffers who had worked on the Godfather's presentation from working on Pizza Hut advertising.

A preliminary injunction covering both confidentiality and account personnel was granted by the California superior court in September. It is that injunction

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P&G's liquid Tide ad asks "Who could create a liquid laundry detergent that's better than yours?"

Can liquid Tide pull Wisk under?

By NANCY GIGES and LAURIE FREEMAN

Procter & Gamble is planning a $50 million ad campaign for the national introduction of Tide liquid laundry detergent as it seeks to recoup market share lost to other liquids and blunt the rollout of Lever Bros.' Surf.

Heavy-duty liquids have grown to more than 24% of the total category, up from 21% in 1981, but the $700 million segment has continued to be dominated by Lever's Wisk. Not even P&G has been able to slow Wisk's climb to a better than 7% share of the $3 billion laundry detergent business. Meanwhile, Tide's share has fallen from 24.5% in 1981 to 21.8% for the first half of 1984.

With an expected $50 million campaign also set for Surf (AA, Oct. 25), pitting the brand against Tide powder, heavy-duty detergent advertising will pound the airwaves next year. Both companies are expected to spend at least an equal amount in promotion.

The liquid Tide introduction kicks off Jan. 14, with tv spots created by Saatchi & Saatchi Compton, New York. With the

(Continued on Page 78)

CBS set to close cable buy

By SUSAN SPILLMAN

NEW YORK—CBS is expected to close two deals this week to buy equity in six cable tv networks for $60 million to $70 million (AA, Nov. 12).

The media giant will announce the purchase of a one-third interest in four regional sports networks owned jointly by Cablevision Systems, Woodbury, N.Y., and Washington Post Co., sources said. In a separate deal, it will acquire half of two national pay tv channels, Bravo and American Movie Classics, now solely owned by Cablevi-

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Last Minute News

Ponderosa may pull up stakes on account

DAYTON, O.—Ponderosa reportedly plans to move its $15 million-plus account out of Avrett, Free & Ginsberg, New York. The 700-restaurant chain has beefed up broadcast advertising in the last two years in an effort to expand beyond its niche as a budget steak house operation. Ponderosa spent $3.6 million for spot tv in the first half of 1984, up 9% from the total for all of '83 and more than 2½ times the total for '82, says Leading National Advertisers. Neither the ad agency nor Ponderosa would confirm the reports of an impending switch.

JWT, ABC to weigh effectiveness of 30s vs. 15s

NEW YORK—J. Walter Thompson USA and ABC-TV will undertake a joint research project to compare the effectiveness of 30-second units with 15-second units. The commercials, to be supplied by five advertisers, will be examined in different clutter situations, JWT says. Results will be presented in March at the Advertising Research Foundation's annual meeting.

CBS Super Bowl radio broadcast 80% sold

NEW YORK—CBS Radio Network is 80% sold out on its 1985 broadcast of the Super Bowl (*see earlier story on Page 1*). Major advertisers include American Honda Motor Co. Anheuser-Busch, Cotter & Co.'s True-Value Hardware Stores, General Motors Corp. and its Buick and Delco divisions, Stearns & Foster Co. and Toshiba America. A 60-second unit on the CBS radio broadcast costs $30,000.

(Continued on Page 8)

NEWSPAPER

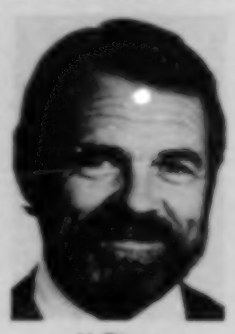
Ziff-a-dee-do-dough:

AA
DC20014CONGELI FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

O&M's Riney unit gets independence

By JENNIFER PENDLETON and RUTH STROUD

Ogilvy & Mather's San Francisco office will soon become an independent subsidiary of its international parent, a move that frees the agency, now headed by creative titan Hal Riney, to become a major force nationally.



H. Riney

The shift, which O&M International made public last week, coincided with the San Francisco shop's announcement that it had gained the $5 million-to-$10 million Crocker Bank account. That business, formerly at Needham Harper Worldwide, Los Angeles, conflicted with California Federal Savings & Loan Assn., a $12 million account recently gained by O&M's Los Angeles office (AA, Nov. 5).

In a telephone interview, Mr. Riney said that though Crocker Bank's selection accelerated the agency's decision to spin off its San Francisco office, the move had been contemplated for some time.

Conflict, the inevitable by-product of membership in a large multinational agency, was holding back the agency from pursuing many new business leads, said Mr. Riney, who holds the title of exec vp-managing director. The agency now has annual billings of $80 million to $100 million.

The newly independent shop hasn't been named yet, but it seems likely that Mr. Riney's name will have a prominent spot in the title.

Mr. Riney denied speculation that the decision to make O&M an independent unit may stem from a fear of losing the powerful creative executive to another shop.

Sources say Mr. Riney's considerable creative reputation is the main drawing card of new business to the agency. If he were to be lured to a competitor—or were to set up his own shop—he could effectively obliterate O&M's San Francisco presence, they contend.

Agency sources describe the decision to split the San Francisco office as "an Interpublic [Group of Cos.] so-

(Continued on Page 80)

Illustration by Roger Schillerstrom

Admen agog as Saatchis shop around

By STEWART ALTER

Saatchi & Saatchi Co., once content to gobble up ad shops, has been on a spree in recent weeks buying everything but agencies.

Less than a month ago (AA, Nov. 1), the London-based company announced it was going to spend $20 million to buy a research company (Yankelovich, Skelly & White, New York) and a consulting organization (McBer & Co., Boston). Before the dust could settle, it plunged into its largest acquisition to date, when it agreed to spend $100 million to buy Hay Group, Philadelphia (AA, Nov. 15), one of the world's largest management consulting companies.

Then, within a week, it closed another deal, buying Irv Koons Associates, a New York-based package design organization.

Because of its size, Hay has to be the most significant of these non-advertising agency acquisitions and the one raising questions about Saatchi's ability to manage a diversified communications conglomerate as well as it can put one together.

Hay's purchase thrilled the British financial markets, but got mixed reviews among leading U.S. agency executives. None of those U.S. executives interviewed saw it as a trend they were likely to follow.

"I think it's a rather good idea," said John Bowen, chairman-chief executive officer, Benton & Bowles, New York, and the most enthusiastic respondent. His appreciation paralleled Saatchi's own explanation of the move.

"Despite what clients say, they do depend on ad agencies to give

(Continued on Page 76)

Highlights

Anheuser-Busch, recognizing that there's more to its beer marketing than just Budweiser, is injecting a new burst of advertising behind its Natural Light brand. *See Page 10.*

Liggett & Myers, in what is seen as an effort to differentiate its generic and private-label cigaret lines from its competitors', is guaranteeing the quality of those products "unconditionally." *See Page 10.*

Audi, the Volkswagen of America division, doesn't market Porsches any more but still wants to impress potential buyers. *See Page 12.*

Chrysler Corp. says its ratings gamble on the inaugural Breeders' Cup horse races paid off. *See Page 12.*

Eleven creative directors share how they got started in the advertising business. *See Page 40.*

More than a year since *Inside Sports* came back from the dead, its owners say it's alive and well. But competitors disagree. *See Page 72.*

Pepsi-Cola USA has signed up

the rock band and teen-age heartthrobs Menudo to appear in tv commercials for Pepsi next year. *See Page 75.*

CORPORATE CLOSEUP

Ashton-Tate, the once small, entrepreneurial software publisher, has assigned itself no small task: It wants to become "the IBM of the software industry." *See Page 4.*

FORUM

An American prison inmate replies to an earlier Forum article, "Crimebusters, China-style." *See Page 18.*

Adman James Paroline writes about working with clients who are part of the boom of entrepreneurial companies. *See Page 18.*

INTERNATIONAL

"Rock in Rio" is coming to Brazil, and organizers are hoping the mammoth, 10-day rock music festival, reminiscent of the famed 1969 Woodstock music and art fair, will be a marketing bonanza. *See Page 46.*

The story behind *La Prensa*, Central America's most controversial newspaper, is more than a tale of free press vs. revolutionary government; it also is a tale of an assassinated editor and a grieving family of journalists torn apart by ideology and left on opposite sides in the Nicaraguan political strife. *See Page 48.*

Japanese marketers in Thailand present just as much of a challenge to U.S. companies in Asia as they do in the U.S. This time, the challenge comes from a new Japanese-made sanitary napkin that threatens to erode the market share of U.S. companies here. *See Page 48.*

VIDEOTECH

Gen. William Westmoreland put "history notes" into the court record to prove he kept his superiors informed about how Vietcong forces should be counted. Columnist Maurine Christopher says that he could have avoided trial by walking out on a jackhammer-style tv interview when the CBS documentary at the heart of Gen. Westmoreland's libel suit was being taped. *See Page 52.*

COMING THURSDAY

SPECIAL REPORT

Media inflation in 1984, boosted by the Olympics and elections, exceeded the general inflation rate. The 1985 media inflation rate is expected to be lower than 1984's because of smaller economic expansion and other factors.

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Antsy Esty gives world an earful

By STEWART ALTER

New York—With gaining new business in mind, William Esty Co.'s new management team plans to raise what has become the lowest profile on Madison Avenue.

"We would like to talk to the public more," said Laurence Wassong, Esty's new president-chief operating officer, who described an interview with him and new chairman-chief executive officer Gordon Bushell as "our coming-out party."

That may be ho-hum material anywhere else, but it's big news at Esty, which has been less than eager to give interviews since its founding in 1932 with R.J. Reynolds Tobacco Co. as its first client.

What has changed? Well, RJR for one—the client has jacked up its own profile, especially in recent years since it became an active acquirer.

And Esty, while remaining solid with 12 blue-chip clients, has not been winning RJR assignments as a result of those acquisitions. In fact, the agency has been losing accounts, such as Colgate-Palmolive Co. and Warner-Lambert Co., because it lacks an international presence.

With that as a backdrop, Esty's low profile has kept it from getting calls to pitch new business.

"What we'd like to do is get on

(Continued on Page 78)

Ziff-a-dee-do-dough: $700 M!

By WILLIAM F. GLOEDE

NEW YORK—The sale of the 12 business and 12 consumer magazines owned by Ziff-Davis Publishing Co. took a pair of unexpected turns last week and put the consumer books in the hands of CBS Magazines and the business books into the grasp of Rupert Murdoch's News America Corp. It also put $712.5 million in Ziff-Davis' coffers.

Industry sources said Mr. Murdoch had hoped to acquire all the magazines, but was outbid by CBS for the consumer books. His acquisition of the dozen Ziff-Davis business titles, concentrated in the aviation and travel industries, represents the Australian publishing magnate's first foray into business publishing.

News America paid $350 million for the 12 business titles, which include *A/C Flyer, Aerospace Daily, Aviation Daily, Business & Commercial Aviation, Hotel & Travel Index, Meetings & Conventions, Official Hotel & Resort Guide, Official Meeting Facilities Guide, Travel Weekly, Weekly of Business Aviation, World Aviation Digest* and *World Travel Directory*. All are profitable, according to a Ziff-Davis spokesman.

Mr. Murdoch called the acquisition "a major strategic investment" for News America, the U.S. subsidiary of his worldwide publishing conglomerate, News Corp. Ltd. He pledged to preserve the "editorial excellence and integrity" of the Ziff-Davis publications and also said, "We intend to retain the superb current staff."

In a joint statement announcing the sale, William Ziff, the sole shareholder in the company that bears his name, called Mr. Murdoch "one of the most brilliant publishing executives of our time."

In acquiring the business publications, News America bested American Express Co. and Washington Post Co., both of which reportedly were eager to buy the group for its travel publications. An insider group also was attempting to acquire the aviation publications, sources reported.

The $362.5 million sale of Ziff-Davis' 12 consumer magazines to CBS Magazines has advertisers pondering the potential for a new, male-skewed advertising network that could take shape as CBS absorbs the Ziff books.

CBS beat out such magazine giants as Time Inc., ABC Publishing and Times Mirror Magazines in the bidding for the Ziff-Davis publications. CBS did not bid on the business group.

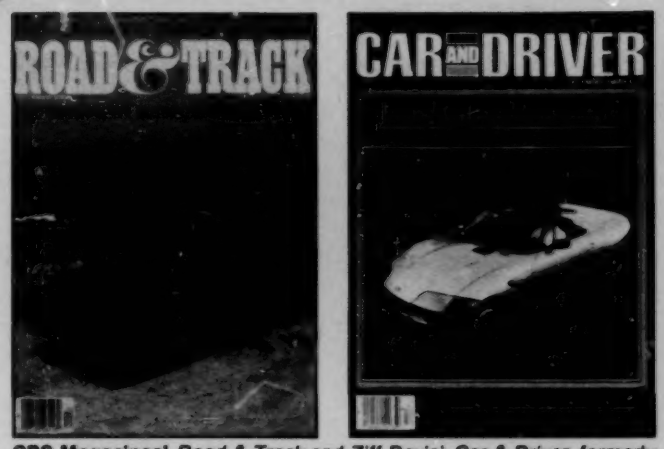
Included in the sale to CBS are *Backpacker, Boating, Car & Driver, Cycle, Flying, Modern Bride, Popular Photography, Runner, Skiing, Skiing Trade News, Stereo Review* and *Yachting*.

Industry analysts believe CBS could expand the existing Ziff-Davis Magazine Network sales group, noted in the industry for its efficiency and professionalism, and merge it with the portions of its own network that rep the seven male-oriented titles of its 10 existing consumer magazines.

Joseph Fuchs, publishing industry analyst for Kidder Peabody & Co., said he believes "the real economic hook" of the deal is that "it makes a very compelling network advertising buy.

"Clearly, there are overlaps," said Mr. Fuchs. "They're going to

(Continued on Page 80)



CBS Magazines' *Road & Track* **and Ziff-Davis'** *Car & Driver*, **formerly fierce competitors, will likely remain so even though they're to be united under the roof of Black Rock, CBS' New York headquarters.**

Colgate broadens position

Irish Spring to try new tack

By NANCY GIGES

Colgate-Palmolive is planning a big splash for the repositioning of Irish Spring bar soap as the company aims to bridge the deodorant and complexion segments of the $1 billion category.

Although the reformulated, repackaged version has been on retail shelves for several months, Colgate, New York, is expected to wait until the holiday season is over to begin its estimated $10 million campaign, which departs markedly from traditional bar-soap advertising.

Colgate gave consumers in Pittsburgh a preview of the new approach when it recently ran a humorous commercial on a one-shot basis. The spot shows a nervous Don Knotts-type character enthusiastically touting the soap he has discovered in a stand-up sell job. But while he is talking, each time he mentions the name Irish Spring, the soap he is holding in his hand squirts water at him.

Finally he becomes so disgusted with the soap he puts it in the

(Continued on Page 79)

World News Roundup

PARMA, ITALY—Barilla, the world's No. 1 pasta marketer, is considering either Young & Rubicam, SSC&B:Lintas or J. Walter Thompson Co. for its $11 million account. TBWA formerly handled.

LONDON—Guinness, a U.K. brewer, is buying Champney Group, a health and fitness marketer, for $3.9 million. Included are Champney's health spas, branded mineral water and decaffeinated coffee.

BREMEN, W. GERMANY—Young & Rubicam picked up Brinkmann A.G.'s $3 million Lux Filter cigaret account from MWI, Hamburg. Y&R also is handling an estimated $3 million introductory campaign for Brinkmann's Muratti 1 cigarets.

LONDON—Wm. Wrigley Jr. Co. is moving its $2.6 million chewing gum account here from Foote, Cone & Belding to BBDO, which handles most of Wrigley's U.S. account. The move apparently was sparked by Wrigley's plans to use U.S.-made tv spots in the U.K.

HAMBURG—Rivals Procter & Gamble and Unilever are testing concentrated versions of their detergents in Europe. P&G is testing Ariel in Berlin, the Canary Islands and Monaco, while Unilever's German subsidiary, Lever Sunlicht, is testing Omo in Hesse. Saatchi & Saatchi Compton handles Ariel, and Lintas:Hamburg handles Omo.

LONDON—American Express Ltd. is testing a British version of its well known U.S. "Do you know me?" testimonial campaign in

(Continued on Page 48)

B&B nips MCI work from Ally

By BRIAN MORAN

NEW YORK—Benton & Bowles has turned the tables on Ally & Gargano's bid to wrest an estimated $3 million in billings from MCI Communications Corp.

Following an agency review by the Washington-based long-distance carrier, B&B has not only rebuffed Ally's challenge for MCI's business-to-business advertising but has been awarded a major new assignment in consumer advertising.

That field previously was Ally's

(Continued on Page 80)

ADWATCH

Ads offer less bang for buck

By SCOTT HUME

The proliferation of advertised brands may be having a negative effect on advertising awareness.

A comparison of last month's results for ADVERTISING AGE's adWatch survey with those from a year earlier suggests that such a negative impact may be surfacing. While unaided recall of advertising is up (i.e., a lower percentage of respondents drew a blank when asked to name the first advertising that came to mind), ad awareness in many product categories is down.

Last month, 56% of the 1,251 adults surveyed were able to name a specific advertisement when asked, "What advertising comes to mind from all that you have seen, heard or read in the past 30 days?" That compares with only 45% in October, 1983.

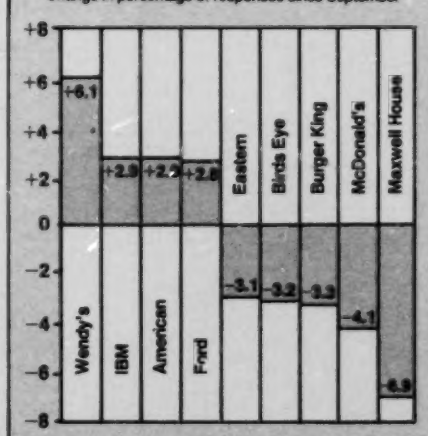
But in specific product categories, the problem of advertising "unawareness" continues. After all the millions of dollars put into tv, radio, print and outdoor advertising, the monthly adWatch survey always shows that significant percentages of the sample don't recall *any* of that advertising.

Take the wine category as an example. Last month,

(Continued on Page 54)

Oct. winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.



Warwick starts 'Made in U.S.A.'

By PAT SLOAN

NEW YORK—The Crafted with Pride in the U.S.A. Council will break the first leg of a $30 million three-year campaign today via Warwick Advertising, but Warwick and others still are competing for the main body of the account (AA, Oct. 29).

Scheduled to make presentations to the council next week along with Warwick are at least 10 agencies, including Grey Advertising, Doyle Dane Bernbach and BBDO. The campaign, projected at a $10 million annual rate, is backed by the council. The group includes textile and fiber companies such as Du Pont and J.P. Stevens, as well as major American apparel marketers such as Blue Bell and Pendleton.

The council, chaired by Roger Milliken, chairman of Milliken & Co., was organized in April. The ad campaign was designed to tie into recently enacted federal legislation requiring that after Dec. 24 all domestically produced apparel and home furnishings carry a "Made in U.S.A." label.

Warwick's campaign, which may represent less than 10% of the council's $10 million annual budget, will set the stage for what to expect next fall. Running in trade publications, daily newspapers and national newsweeklies, ad copy emphasizes the advantages to retailers and manufacturers of buying goods made in the U.S., including faster delivery and reorders. Provocative headlines will note that once the consumer campaign begins, "She'll be looking for US in her blouse" or "He'll be looking for US in his slacks." Photography is by Francesco Scavullo.

When the next round of ads will begin or what their form will take is not known. Sean Driscoll, senior vp of Warwick, said that will de-

(Continued on Page 80)

Generics smoke out competition

By JOHN C. MAXWELL JR.

The big news in the cigaret industry continues to be the discount brands, led by generics.

While for the year they accounted for some 5.7% of the industry—almost double the 3.3% rate in 1983—they are probably running closer to a 6.5% rate currently. Of this, 4.7% is attributed to generics, 0.4% to the recycled Doral and 0.7% to Century (now in 88% of the country).

Liggett Group had the biggest over-all jump, up some 21% and a full-market share point, due entirely to the company's generic entries. R.J. Reynolds had the second-largest increase, up 1.5% with a 0.5% share point increase, again preponderantly due to its discount brands. The only reason why Brown & Williamson's volume and market share were off only slightly was due to new generic introductions.

Over-all, other companies had meaningful down volumes and market shares, with the exception of Philip Morris, which was up a modicum. In fact, the only major brand of Philip Morris that was up was Marlboro, 4.4% and a full market-share point. The only other meaningful brand that showed a reasonable increase was Newport, up some 8.9%. Reynolds' Winston, Salem and Camel seem to have stabilized.

One could make a case that if a company is not in discount brands, which is now the only growth area of the industry, its over-all sales volume is going to continue to be under pressure. Obviously if it were not for this grouping, plus some loading and new-product introduction, the industry would be down substantially more than our estimated 0.2% for the calendar year 1984.

As is well known, these discount-brand products have not been advertised to any degree; it has been mainly word of mouth that has caused them to grow. This proves the substantial need for this type of product in the marketplace.

It has been documented that people are increasingly price-value oriented, and if there are two products of the same quality available, they will choose to buy the cheaper one.

We feel that the main causative factor for discounting is the major jump of cigaret costs from about 70¢ a pack three years ago to now probably more than $1. This leap was the result of a major tax increase by the federal government and increases by state and local tax authorities as well as the increases imposed by companies over this period of time. We feel companies and state and local government (through taxation) will continue to increase prices. Therefore, we believe discount brands—because of their $2-plus per carton differential—will continue to grow, though much more moderately in the future.

Discount brands as a whole are now the fifth-largest-selling product (a fantastic jump considering they have been in the market for only three years). They are outselling everything except Marlboro, Winston, Salem and Kool.

Looking ahead, excluding a new surge on the part of the discount brands, it seems that we have seen the high in terms of cigaret consumption. Not only has the industry been adversely affected by prices, as discussed above, but by the increasing protest on the part of antismoking personalities. If 60 million-to-70 million smokers are required to give up one cigaret a day because of restrictive legislation or through social pressure, we are talking about 22 billion cigarets a year not being smoked.

This combination of higher prices for cigarets, the popularity of discount brands and antismoking pressures is not good for the industry over the longer term. However, we would not be surprised to see another price increase on the order of 3% prior to yearend.#

Mr. Maxwell is with Laidlaw Ansbacher, New York.

U.S. cigaret manufacturing

Philip Morris continues to pace the market, but R.J. Reynolds and Liggett Group showed significant gains during 1984, based largely on the strength of discount brands. *Source: John C. Maxwell Jr., Laidlaw Ansbacher, New York.*

Company	Domestic 1983	Domestic 1984	Billions of units Export 1983	Export 1984	Total 1983	Total 1984	Share of domestic mkt. 1983	Share of domestic mkt. 1984
Phillip Morris	205.05	205.50	40.80	40.00	245.85	245.50	34.4	34.5
R.J. Reynolds	187.52	190.34	17.55	15.00	205.07	205.34	31.5	32.0
Brown & Williamson	68.52	67.81	10.50	9.50	75.02	77.31	11.5	11.4
Lorillard	55.00	49.95	—	—	55.00	49.95	9.2	8.4
American Brands	51.50	47.01	0.55	0.45	52.05	47.46	8.6	7.9
Liggett Group	28.60	34.60	—	—	28.60	34.60	4.8	5.8

Cigaret's top ten

While the leading brands either dipped or remained flat, No. 1 Marlboro continued its upward surge. *Source: John C. Maxwell Jr., Laidlaw Ansbacher.*

Company Brand	Units 1983	Units 1984	Per cent 1983	Per cent 1984
Philip Morris				
Marlboro	120.12	125.40	20.1	21.1
Benson & Hedges	29.83	28.80	5.0	4.8
Merit	26.00	24.35	4.4	4.1
Total	175.95	178.55	29.5	30.0
R.J. Reynolds				
Winston	71.05	71.04	11.9	12.0
Salem	48.35	48.39	8.1	8.1
Camel	27.16	26.84	4.6	4.5
Vantage	21.98	20.98	3.7	3.5
Total	168.54	167.25	28.3	28.1
Brown & Williamson				
Kool	42.70	41.69	7.2	7.0
American Brands				
Pall Mall	24.74	22.45	4.1	3.8
Lorillard				
Kent*	23.34	19.71	3.9	3.3
Grand Total	435.27	429.65	73.0	72.2

*Recalculated to include Golden Lights brand family.

Snack line Chex out party mix's popularity

By JANET NEIMAN

After years of pushing its Chex brand cereals as ingredients for the well known Chex party mix, Ralston Purina Co. is test-marketing a three-item line of premixed Chex Snack Mix.

The product, in traditional, nacho cheese and sweet & nutty flavors, is testing in Marion, Ind., and possibly other markets.

St. Louis-based Ralston traditionally advertises the Chex snack as a party mix, but couponed newspaper inserts for the Chex Snack Mix say: "Now, that irresistible combination of seasoned Chex brand cereal, peanuts and pretzels isn't just for parties anymore."

Ads also play off the idea that "the snack you've loved for years" now comes in a box. "It's already oven-baked and oven-fresh, so you can love it alone or love it with friends. . .on the spot," the copy says. "You've loved it for years, but you've never loved it like this before."

Wells, Rich, Greene, New York, which handles advertising for Chex cereals, is also the Chex Snack Mix agency.

The new line is a logical extension of Chex cereals, and snack marketers aren't likely to be the only ones watching its progress. Kellogg Co., Battle Creek, Mich., has promoted use of its 2-year-old Crispix corn & rice cereal—a direct competitor to Chex—with a back-panel recipe to make Crispix party mix.#

Gary & Goltz makes move

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Kraft spreads itself around

By JANET NEIMAN

Kraft Inc. is spreading itself thick in the butter substitute market, entering its third such test-market product in a year.

The newest item, Parkay Plus, is a margarine with 28% real cream, now testing in western and midwestern markets. The product joins Sheffield Farms and Touch of Butter, both butter blends using vegetable oil.

Sheffield Farms has been testing in the Southeast since last fall (AA, April 30); Touch of Butter has been in midwestern and southwestern markets since summer (AA, Aug. 6).

Kraft's interest in the category appears to be two-pronged. As consumers move away from butter and margarine and toward lower-calorie spreads, Dart & Kraft's Glenview, Ill.-based foods unit needs to buffer itself against losses to its important Parkay margarine.

Sources say Unilever's Shedd's Spread, purchased last year from Beatrice Cos., has been eroding margarine sales rapidly and that Shedd's ButterMatch blend has done well in the butter-blend segment. (Sources say Unilever also is working on another entry in that arena.)

At the same time, Kraft, like other marketers, sees the possibility of higher profit margins that come with butter and margarine blends and spreads.

Kraft's Sheffield Farms entry, priced between margarine and butter, has been viewed as a way to recoup losses from consumers moving to blends from Parkay, although sources said there are indications that Kraft may be pulling it out of the market. Touch of Butter is seen as Kraft's response to Shedd's headway in the market.

Parkay Plus, however, is a margarine with cream, or what one source called "souped-up margarine," priced at about $1.19—the same as premium margarine. The cream content, this source said, "gives them more impact with the consumer than it's costing them."

Land O' Lakes Inc. initially opened up the blend segment three years ago with Country Morning Blend, containing 40% sweet cream butter. The Arden Hills, Minn., company has been joined since then by at least three Beatrice products—Golden Farms Blend, Keller's Golden Blend and Hotel Bar Blend—marketed in various regions of the country.

Growth of the blend segment, however, has been more sluggish than expected, reaching about $65 million.

Like Sheffield Farms and Touch of Butter, Parkay Plus is being advertised in a tv, magazine and newspaper couponing effort emphasizing taste.

Needham Harper Worldwide, Chicago, which also handles Sheffield Farms, has the Parkay Plus account. Foote, Cone & Belding, Chicago, handles Touch of Butter.#

AdWatch

(Continued from Page 3)

21% of the sample said, "An advertisement comes to mind, but I don't recall the brand." Another 42% said, "Sorry, nothing comes to mind."

In other words, no wine advertising proved significantly memorable to nearly two-thirds of the national sample.

The "unawareness" total for the liquor category is even higher—72% said no specific brand advertising came to mind.

Distilled-spirits producers' self-imposed lack of tv advertising partly explains that higher total, however.

In many categories in which comparable figures are available for October, 1983, and October, 1984, "unawareness" totals are higher this year. While 25% of the sample came up dry last year when asked to name the first beer advertising that came to mind, that figure was 30% last month.

Similar increases of at least five percentage points show up in the medicine and drugs, cosmetics, tobacco, cameras and pet foods categories.

Major advertisers do not appear to be the losers in this trend. The total share of first mentions garnered by the top five advertised brands within each category has remained approximately the same. When the percentage of persons saying they can recall no specific advertising has risen, the change usually has come at the expense of secondary brands.

Budweiser, Miller, Miller Lite, Coors and Stroh accounted for about 45% of total first mentions in both the October '83 and October '84 surveys. But the higher percentage of respondents this year saying no advertising comes to mind means fewer brands other than the top five are being recalled, or that they are getting less recall.

What all this suggests is that while the number of brands and products within most categories is growing, it may be getting more difficult for those new brands to compete for consumer awareness.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a random sample of consumers to name the advertising that first comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,254 adults were questioned by telephone. Under adWatch methodology, an increase or decrease in recall between monthly surveys of 2.8 percentage points is considered statistically significant and attributable to more than sample variations.

Among significant changes last month:

- "Unawareness" is hardly a problem for the **fast-food** category, since 90% of the sample was able to recall a fast-food advertisement. Fast-food's problem is changeability, as it proved last month.

Once again, Wendy's was the survey's biggest gainer. Last month, its advertising came to mind first for 27.4% of respondents, up 6.1 points from a 21.3% share in September. Much of that gain came at the expense of McDonald's, whose share of category awareness continued its slide. Big Mac's advertising was named by 35.9% in October, down 4.1 points from 40% in September.

Burger King remained in the No. 3 spot despite a 3.3 point drop to 10.5% of first mentions. But the new comparative advertising that broke last week could help BK narrow the gap once again.

- Despite having a fairly narrow user base, the **computer** category has a surprisingly strong awareness level. Only 31% of respondents last month were unable to recall advertising for computers, a better showing than the laundry (37%), medicine (38%), home electronics (62%) and financial services (62%) categories, among others.

Apple still dominates the category, getting 33.3% of first mentions last month. But IBM made a small improvement, rising 2.9 points to a 16% recall share. Commodore remained No. 3 with 5.7%.

- It may seem un-American, but 20% of respondents didn't recall any advertising for **cars and trucks** last month. Among those who did, more recalled Ford advertising. Its share of first mentions last month was 23.9%, a 2.9 point improvement over September.

Chevrolet ranked second with 14.5%; Toyota was No. 3 with 8%.

- The two leaders in the **airlines** category swapped standings last month. American's recall rose 2.9 points to 16%, enough to displace United in the No. 1 spot. Eastern's share of first mentions dipped 3.1 points to 8.8%, keeping it barely ahead of No. 4 TWA (8.4%) and No. 5 Delta (8.2%).
- Folger's is back as No. 1 in the **coffee** category even without Mrs. Olson. P&G put the product's longtime spokeswoman on hiatus in September (AA, Sept. 27), but recall of the product's advertising hasn't suffered at all. Indeed, it rose slightly (2.5 points) to 24.5%.

Meanwhile, recall of former No. 1 brand Maxwell House tumbled 6.9 points—the heaviest loss of the month—dropping it into the No. 2 spot with 20.2% of first mentions. Perhaps Maxwell House could pick Mrs. Olson up on waivers.

Sanka moved into the No. 3 spot with 6.4%.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Decadence

(Continued from Page 36)

rately portrayed—in "The Big Chill."

Nine years ago, a couple of the Decadence Party hosts were teachers, one was a lawyer at a legal-aid clinic, one a perennial student. Struggling, idealistic, hard-drinking, dope-smoking types (although they were already beginning to swear off the dope by then). Fertile minds, tons of potential. Most of them hung out together in certain Quarter bars, and there were other connections—Tulane and U. of New Orleans.

Now look at them: Solid citizens, hard workers, conformists—the ones who don't leave home without it. The legal-aid lawyer has become a prosecutor for the city, and has even run (unsuccessfully) for district attorney.

One of the teachers is a real estate broker who owns some nice pieces of property around town. Another teacher has become the chief economist for the city.

The perennial student has married her gynecologist and, word has it, left school. . .

At 3 o'clock the party is losing whatever steam it had. At 4 o'clock, I'm having trouble spotting any scene with a remote hint of decadence, or even modest excess.

At 8 o'clock that morning I'm on my way back to New York. Forget about October 31st in the Quarter. On the streets of Greenwich Village, there's a parade every Halloween that, while not quite decadent, is four or five times as racy as anything I've seen down here all week.#

Brady's Bunch

I think **Svetlana** and the Russians deserve one another.

Roger Railton-Jones of Carl Byoir (how about that for a pr guy's name?) writes to say **Richard Burton's** first film, about the inundation of a small town by a great new dam, was "The Last Days of Dolwyn," produced by Anatole de Grunwald about 35 years ago. Railton-Jones worked for Grunwald, and after the film was made Burton returned to the West End stage but was, even then, Railton-Jones recalls, talking about "making a financial killing in the movies."

Was anyone terribly surprised when all six of our **Olympic fighters** won their first pro bouts the other night on ABC?

I'm deeply shocked to learn, now that the elections are over, that **Mr. Stockman** has informed the President the current year's budget deficit won't be the $175 billion he promised but actually $210 billion. I guess new data suddenly became available because I'm sure if he'd had this info on Nov. 5, Mr. Reagan would have shared it with us.

Interesting quote from Time Inc. editor-in-chief **Henry Grunwald** in his Chet Huntley Memorial lecture: "It is significant that

Grunwald

Burton

Stockman

several right-wing activist groups have been set up to finance libel litigation against the press for political reasons."

Anouk Aimee, the lovely French actress in town with her pal, designer Emanuel Ungaro, said the remake of "A Man and a Woman," with Jean-Louis Trintignant, is about to roll. Anouk looks every bit as good as she did in the original and in her first big film, "La Dolce Vita." And she's still wearing those dark shades.

Joel Raphaelson of Ogilvy & Mather informs me that **Mencken** was not "sour." And he promises to tell me about a chat he and Mencken had in 1948 at the Progressive Party (Henry Wallace) convention in Philadelphia. Such promises sustain me in these difficult times.

Bob Lauterborn of International Paper tells me their public service ad campaign getting kids to read and write effectively, "The Power of the Printed Word," which has been running since 1979, draws about a thousand letters a day. With functional illiteracy a bleeding wound in this country, this is solid stuff indeed.

Best football game of the season, college *or* pro, was Boston College-Army. **Flutie** was there, of course, and Army had some kid with three broken ribs playing quarterback and running every other play. Final was 45-31 and when it was over all those Boston Irishmen got up and cheered the Army guy. When you get stuff like that, who needs Kansas City versus the Vikes?

Good party tonight (Nov. 26) at the Algonquin in Manhattan. Arthur Miller, **Dustin Hoffman** and others will be there to celebrate a new publication of "Death of a Salesman" by the Limited Editions Club.

Sexy Rexy Harrison, sporting a Henry Higgins hat, camel's hair coat, red scarf and three-week beard, annoyed a few patrons of the Four Seasons the other day by stepping merrily to the head of the hatcheck line. Liza Doolittle would 'ave 'ad 'is 'ead.

I asked **Pavarotti** if he enjoyed popular music. Oh, yes, very much so. The Beatles? "I am ecstatic," said the great man. Boy George? "Ah, yes." Luciano was in town for a Madison Square Garden concert, yet another sellout.

J.C. Penney president David F. Miller takes over a New York disco, Private Eyes, tomorrow (Tuesday) to launch a new women's wear collection by **Lee Wright**. Mr. Miller says Penney is determined "to become America's first national department store."

Only two world heavyweight champs attended college. Who were they?

Michael Paulle, whose Synarome Corp. came up with the pre-election idea of a "Gerry" perfume, tells me now they're thinking of a **George Bush** cologne called "Kicking Ass."

I'm supposed to know about such things but I was absolutely stunned when New York's *Daily News* announced cartoonist **Paul Rigby** was jumping to the *News* from the rival *Post*. Rigby, an Australian, has long been closely associated with *Post* owner Rupert Murdoch, having worked for Rupert's papers in Australia and London before coming to New York seven years ago. A source at the *News* tells me several other *Post* stars are on a *News* "hit list" as Jim Hoge heats up the newspaper wars.

Richard Burton married five wives, drank too much, ignored his doctors' advice, raised hell and left an estate of $4.58 million. There must be a moral here somewhere.

By James Brady

Read James Brady's essays in Thursday's Advertising Age.

Browning spray from Clorox bows

By JENNIFER PENDLETON

Buoyed by predictions that microwave ovens will be in more than 50% of U.S. households by the end of 1985, Clorox Co. will become the first major company to market a microwave browning agent nationally.

The Oakland, Cal.-based marketer will be out with Kitchen Bouquet Microwave Browning Spray in December, backed by magazine, newspaper and tv advertising (AA, Nov. 19). The browning spray is a line extension of its Kitchen Bouquet browning, seasoning sauce and gravy aid.

A Clorox executive said regional browning agent products are usually applied with a brush. Clorox's pump spray offers greater convenience, the company believes.

Ads in women's and food magazines, as well as freestanding inserts, will break in December. They will compare the look of meat prepared in a microwave oven without a browning agent with those sprayed with Kitchen Bouquet. Newspaper ads and tv spots will follow. Young & Rubicam, San Francisco, is the agency.#

Saatchi

(Continued from Page 2)

them marketing counsel and not just to make ads," said Mr. Bowen. "So in the broadest sense, consulting with clients is part of the totality of an ad agency."

British investors also liked the idea. "The market reaction was very enthusiastic," said Mark Shepperd, an investment analyst at Phillips & Drew, London, the securities company that placed £80 million worth of stock with its clients in order to fund the buy.

"They're brilliant in financial maneuvers. No one can fault them in that area," said Philip Geier Jr., chairman-chief executive officer, Interpublic Group of Cos., New York.

But management consulting is not a direction IPG is headed in. "I wouldn't do it," said Mr. Geier. "I want to see things integrated into the agency system. I believe in communications coordination."

Robert Jacoby, chairman-chief executive officer of Ted Bates Worldwide, New York, believes that management consulting is a very different kind of business from advertising.

"I think it's a big mistake," he said of the Hay acquisition. "Every time agencies, in this country at least, have gone too far afield in acquisitions they've gotten burned.

"If you wander too far afield in acquisitions, how do you go in and fix it if something goes wrong?" said Mr. Jacoby.

Others, including Mr. Bowen, didn't see that as a problem. "My experience is that if you have a good set of managing principles, it works everywhere," he said.

But does Saatchi have those good management principles? Or is it buying up too much too fast?

There is some concern among potential sellers about being caught up in the whirlwind. In discussing why Doyle Dane Bernbach International decided not to sell, Barry Loughrane, chairman-chief executive officer, gave a reason that might apply to other major shops as well. "Supposing Doyle Dane Bernbach sold to the Saatchis," said Mr. Loughrane. "Then a year later when they'd buy another agency, and the year after that when they'd buy yet another, what would happen to Doyle Dane Bernbach?"

Mr. Shepperd believes Saatchi will need some breathing space now. "They are going to be very busy over the next few years with this," he said. "I would be surprised if there was another major acquisition in the advertising sector in the next 12 months."

A Saatchi spokesman disagreed, saying, "This acquisition should not be taken to mean that we won't be in a position or interested in acquiring either another advertising business or another business." He also felt that the agency already has proved it is a successful manager of acquired businesses.

Except from a financial standpoint, "I don't think anyone in the U.S. is particularly impressed with what's happened at Compton," said Emma Hill, an analyst at Wertheim & Co., New York, who is generally impressed with Saatchi. "They've turned Compton into a money-making machine."

She compared Saatchi with Ogilvy & Mather, which she called "a superb advertising agency, but one that doesn't have the financial prowess that Saatchi has. Long-term success depends on how good you are at servicing clients, but stock price is dependent on how much money you're making this year," she said. "I'm not saying that they're not balanced, but just that they definitely stand out on the financial side."

Many industry observers agree that they have not seen any great transformation at Compton, but Saatchi and Compton explain that that's because none was intended.

"Compton is a very, very successful agency. It wouldn't be appropriate for Compton to change its image," the spokesman said.

Moreover, the Saatchi spokesman said, "This is a service business. If you're not managing a service business well, you lose clients or you lose personnel," neither of which has been the case at Compton.

Some think it's too early to project whether Saatchi will be a successful manager of a large variety of businesses.

"They're making sound business decisions. I think Compton was a smart move," said Ms. Hill. "But are they building an organization through acquisitions that has continuity and quality? I can't say they're not, but it's just too early."#

Daily double for Dallas

Bloom blossoms for 800-FLOWERS

IRVING, TEX.—Floral telemarketer 800-FLOWERS and Chiat/Day, New York, have parted company, citing "mutual operating considerations."

Word leaked that Bloom Agency, Dallas, had snapped up the $12 million account, though officials at Bloom and 800-FLOWERS would not confirm the appointment.

Bloom issued a staff memo Nov. 20 announcing the agency's selection by 800-FLOWERS.

But the next day, Bloom officials would not respond to inquiries, and 800-FLOWERS vp-advertising Connie Kennedy stood by the company's prepared statement, in which president John Douglas said no agency has been appointed to succeed Chiat/Day.

The new telemarketer selected Chiat/Day last summer (AA, June 25). It then began test-marketing in Chicago in preparation for introduction in Dallas-Fort Worth, Los Angeles, New York and then a sweep nationwide in the first half of 1985 (AA, Oct. 15).

Ms. Kennedy said the disruption in agency relationships will not set back the company's scheduled national expansion.

Chiat/Day president Guy Day said that the agency and client are parting as "the fondest of friends." Distance had become a factor in the relationship, he said.

"Startup companies are strange beasties," Mr. Day added, saying that "emotionally, we were in sync, but we weren't right for each other."

The service can accommodate 600 operators at its headquarters and telemarketing center here, where customers' orders are relayed to 5,000 member florists. The service, based on minimum $30 credit-card orders, offers a replacement guarantee within 24 hours if, for any reason, the flowers are not beautiful when delivered.#

Fina closer to home at Levenson

DALLAS—American Petrofina will end its 20-year relationship with Geer, DuBois, New York, on Jan. 1 by shifting its estimated $2 million account to Levenson, Levenson & Hill here.

Despite the change, Fina's advertising will continue to feature country singer Mel Tillis as spokesman, said J.W. (Bill) Cahill, the company's director of advertising and public relations.

The marketer of gasoline products in 22 Sunbelt and Midwest states had been quietly looking at what he said are the five leading agencies here. His goal was to develop an agency link closer to home.

The move follows the naming of Paul Meek as chairman in October and the promotion in March of Jackie Thomas to vp of the company's American Petrofina marketing division.

Mr. Meek has retained the posts of company president-chief executive officer. As chairman, he succeeds R.I. Galland, who retired. Mr. Thomas previously was on special assignment with Fina and had no official title.

In recent years, Fina has used tv in the spring, radio in the summer and tv again in the fall, Mr. Cahill said. It also has sponsored Southwest Conference college football broadcasts for two years.

The account shift does not affect Fina's petrochemical trade advertising account, which remains at Womack/Claypoole/Griffin, Mr. Cahill said.#

Ford buy

(Continued from Page 1)

mitment to "big event" use of tv as the cornerstone of its 1985 marketing plan, a strategy that has been unfolding for several years. Ford's 1985 media budgets still are not formally approved, yet the auto maker decided to move quickly on the special request of its media strategists to lock up both the Super Bowl and "North and South," a Civil War saga.

"We made a buy we felt was consistent with our advertising strategies and goals and [the buy] complemented what ABC wanted to do as well," said Chuck Schneider, media analysis manager of the Ford division.

The big buy will form a major wraparound for Ford's entire marketing strategy in 1985. While the Super Bowl will kick off the auto maker's calendar year, ABC's Civil War miniseries will be telecast near the start of its new model year. The miniseries will be used to support Ford's 1986 new-car introductions.

Ford's Super Bowl participation will total five announcements in the second and third quarters of the game. Ford also will have opening and closing billboard credits during those quarters.

Ford will share "North and South" sponsorship with four others. The deal gives the company opening and closing billboards on the telecast for four nights.

"This [buy] is not something new or unusual," said Mr. Schneider. "If anything, it is a restatement of the strategy we've had for some time, coincidental with the fact that we had sponsorship on 'Winds of War,' which was also on ABC. Basically, we think ABC has demonstrated the ability to produce high-quality miniseries." Mr. Schneider added that the Super Bowl and "North and South" would be two of the largest single tv purchases of the year.

Ford's appetite for the Super Bowl was whetted by the fact it would not have the baseball World Series in '85, Mr. Schneider said. He added that the purchase would not affect Ford's other National Football League commitments, which include quarter-game sponsorship on NBC's NFL schedule and on some of CBS' games.

Sharing the Super Bowl berth with Ford will be Nissan, the foreign auto sponsor, and a host of other advertisers, including Anheuser-Busch, Cullinet Software, ComputerLand, Johnson Controls, McDonald's, Minolta, Northwestern Mutual Life Insurance Co., Sharp, Sony, IBM and Stroh Brewery, according to ABC. Apple Computer also has purchased time on the event, which will be played at Stanford Stadium, Palo Alto, Cal., near the computer manufacturer's Cupertino headquarters.

At a cost of $525,000 for a 30-second unit, ABC will reap at least $25 million from the game. ABC said 46 units out of 50 have been sold, although four of the sold units technically are on hold pending final signing of contracts.

Initial resistance to the high price led to the pullout of several major advertisers that were sponsors of NBC's 1984 telecast, including National Life Insurance, Tandy and Eastern Air Lines (AA, Oct. 1). However, ABC confidently predicted it would be hanging out the SRO sign by kickoff on Jan. 27.

Nevertheless, resistance to the steep price did not soften at several agencies. A source at one major shop derided ABC's Super Bowl pricing strategy as "creative" and refused to place clients in the event. Yet it appears that many advertisers agreed with another opinion about the Super Bowl: "At first, you think $1 million a minute is mind-boggling and that no one could rationalize paying that," said one agency executive. "But then, after sitting in the quiet of analysis, you realize it will get a 50 rating and be a giant event."#

CBS Cable

(Continued from Page 1)

sion. Executives at Cablevision, CBS and Washington Post Co. refused to comment.

But other sources said the deal could be announced today.

The four sports networks serve Chicago, New England, the New York tristate area (Connecticut, New Jersey and New York) and Philadelphia. Bravo is a 4-year-old cultural channel, and American Movie Classics is a 6-week-old companion pay channel to Bravo.

The deal comes two years after CBS became the first company to fold a cable tv service. CBS Cable, an advertiser-supported cultural service, was disbanded in 1982 after piling up $30 million in losses.

"But this move makes a lot more strategic business sense," said Joseph Fuchs, an analyst at Kidder Peabody & Co. "They're not going it alone, so the risk is much less and these services have broader appeal than CBS Cable did. It's a logical extension of their business."

The main motivation for CBS' getting back into cable, however, may be to gain another outlet for sports programing. Sports broadcast-rights fees in recent years have risen sharply, and having another distribution vehicle beyond the network would help CBS stay competitive with its rivals, especially ABC, which now owns 80% of Entertainment & Sports Programming Network.

CBS could use the cable outlets for those sporting events it purchases as parts of packages but that it cannot squeeze into its network lineup. Having cable services also may give it leverage when bargaining for broadcast rights.

Not everyone agrees with the possible advantage of CBS' move. Alan Gottesman, an analyst at L.F. Rothschild, said that "the smartest thing CBS ever did was get out of cable. Why should they mess with their revenues like this? They're a $6 billion company."

The deal makes sense for Cablevision and Washington Post Co. It gives them cash and spreads the risk.

Of the six services, only Sports-Channel in New York and Prism, the Philadelphia sports network, are profitable. Cablevision officials claim Bravo could break even by the end of the year.#

C2710-1

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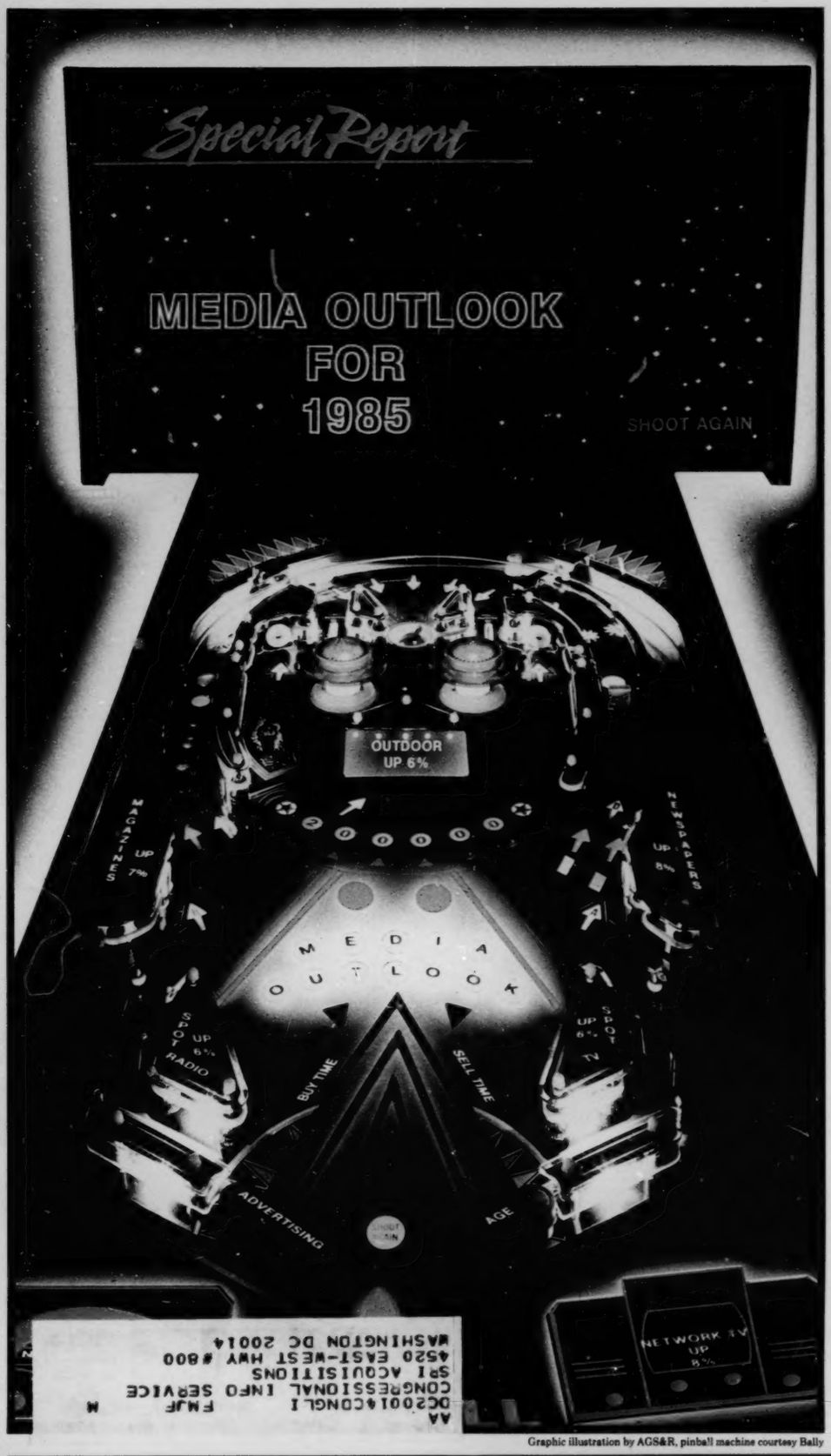

Graphic illustration by AGS&R, pinball machine courtesy Bally

Barter films unreel blows to networks in ratings

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Media price increases to moderate during '85

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Leveraged buyout craze cools among media giants

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How creative approach helps build TRW image

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NEWSPAPER

Stores gobble post-turkey sales

Highly visible sale ads marked much of the post-Thanksgiving Christmas shopping advertising run by stores looking to get a fast start on holiday sales.

2 BIG DAYS!
SHOP FRIDAY 8AM TO 9:30PM!
SHOP SATURDAY NIGHT 'TIL 8:30PM
Look inside... 12 big pages of fantastic values
for your family, for holiday gifting... for you
Save 50%
JCPenney

But heavy promotion is key

An Advertising Age roundup

The post-Thanksgiving Christmas shopping rush turned up strong sales for many stores across the country. But retailers had to work hard for their money and their fast break from the starting gate.

Department stores, in particular, relied heavily on intensive promotional packages that possibly cut into sales of some mass merchandisers and smaller specialty stores. But even so, not all department stores managed to keep up with the pack, as evidenced by some spotty sales and a slow start for a few in the Southeast. Southwest and Northwest.

"I've never seen such a promotional Christmas," said John Landschulz, a securities anyalyst who follows retailing for Mesirow & Co., Chicago. "The department stores have really worked the market, and consumers are responding to all the good deals. They hung back a little on promoting price but now they're in full swing."

Mr. Landschulz said that for the first time he is hearing mass merchandisers complain about how aggressive department store chains are taking market shares.

As a general rule, how things go immediately following Thanksgiving can indicate results for the entire Christmas season. Between Thanksgiving and Dec. 25, stores can take in as much as 30% of their annual sales and 50% of their profits.

Said Gil Berliner, vp with Independent Retailers Syndicate, a New York buying office representing 180 department and specialty stores and regional chains: "Promotions are still very much with us and very strong, but so far we're very positive, with our stores averaging 10%-to-12% gains for Thanksgiving weekend. But you have to take each day as it comes. The momentum started early and we hope it continues."

He cautioned that if there is any slack, stores will unleash a barrage of unplanned markdowns along with the planned sales.

On Nov. 23 and 24, Carson Pirie Scott & Co., operating 24 stores in the Chicago area and downstate Illinois, posted double-digit sales increases, said Neil A. Ramo, president of the chain's department stores division. But at least some of those gains, a Carson's spokesman said, were attributable to a 48-page "sale book," Carson's first-ever attempt to so visibly promote its traditional storewide

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Billboard's buyers see stock topping charts

By STUART J. ELLIOTT

NEW YORK—One of the new owners of Billboard Publications says the company could someday be selling stock to the public.

"We hope to take the company public in the next three to five years, if the markets are right," said Gerald Hobbs, one of two leaders of a management group involved in the buyout of Billboard.

Such a move would be in keeping with the new owners' philosophy of "looking for growth" in the company, Mr. Hobbs said.

Billboard, which has been on the market since last summer (AA, July 5, *et seq.*), is to be sold to a corporation owned by Boston Ventures and a Billboard management group.

Boston Ventures is a limited partnership that specializes in investing in communications, entertainment and leisure companies. The Billboard management group is led by Mr. Hobbs, exec vp-publisher, *Billboard*, and Samuel Holdsworth, publisher, *Musician*, one of the company's five other magazines. An unspecified number of other employes also are to be shareholders in the management group.

The purchase price was not disclosed. But it is believed to be a bit more than $40 million, which would be on the high side of the estimates that publishing industry sources had placed on the company's worth. Those figures ranged from $30 million to $40 million.

Billboard's annual revenues are about $45 million, with net income said to be at about $3 million.

Under a definitive agreement reached Nov. 26 and expected to be completed early next year, Billboard is to be sold to Boston Ventures and the management group by William Littleford, chairman, president and

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A(shton) to Z(iff) for Cole

By STUART J. ELLIOTT

NEW YORK—David Cole, former chairman-chief executive officer of Ashton-Tate, a leading software publisher, is joining Ziff Corp. to supervise its computer magazines, databases and information companies.

The appointment of Mr. Cole as president-chief operating officer follows by a week the sale of 24 major consumer and business publications by owner William Ziff (AA, Nov. 26). The naming of Mr. Cole is seen as a way to emphasize that Ziff Corp., even after selling $712.5 million in magazines, still owns some major media properties.

Mr. Cole will succeed Philip Korsant, who becomes Ziff Corp.'s chairman. Mr. Korsant succeeds Mr. Ziff, who becomes chairman of the executive committee, a new post.

"David Cole's mission," Mr. Ziff said in a statement, is to make the company's remaining holdings "preeminent in their fields." His "vision and thoughtfulness," he said, as well as Mr. Cole's past print experience, "make him particularly well suited to lead us."

Mr. Cole left Culver City, Cal.-based Ashton-Tate in October to accept what he then called a "once-in-a-lifetime position" with an unidentified East Coast company (AA, Nov. 26). He joined Ashton-Tate in 1982 as president-chief executive officer.

At Ziff, Mr. Cole will supervise 11 computer publications: *A-plus, A-plus Buyers Guide, A-plus Disk, Computers & Electronics, Creative Computing, Digital Review, PC, PC Buyers Guide, PC Disk, PC Tech Journal* and *PC Week*. He also will supervise two databases—Data Decisions and Data Sources—and five information companies.

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JWT & ABC ask: To split, or not to split?

By VERNE GAY

NEW YORK—J. Walter Thompson USA and ABC-TV Network, in an unusual joint research project, are seeking answers to an advertising enigma: Will split-30s hurt or enhance commercial tv?

The results of the project (AA, Nov. 26) will serve as the basis for ABC's policy in accepting and placing split-30s, which are two commercial units for dissimilar products from the same advertiser contained within a single 30-second commercial unit.

JWT hopes the results will support its position in favor of splitting the 30-second unit. The agency has encouraged clients to use split-30s to build frequency and cut costs. JWT therefore was encouraged by initial results of the test: Viewers tended to recall no more than four ads per half-hour program, no matter the length of the commercial or the number of commercial messages in a pod.

Both parties also hope the results will serve as the benchmark for industrywide acceptance of the practice.

The project is unusual in at least two respects. It marks the first time a major tv network is cooperating with an agency to decipher the impact of split-30s on viewer recall and commercial clutter. The formal union of a leading agency and a network on a pivotal research question is a milestone as well.

The issue of split-30s arose last year when Alberto-Culver, following the abolition of the National Assn. of Broadcasters code on acceptable commercial loads, demanded that the tv networks permit advertisers to "program" their 30-second units with more than one product. Previously, unrelated products could not appear in the same commercial pod.

The controversy, which has divided the advertising industry, centers on the potential of severe commercial clutter if splitting the 30 becomes the norm. Also, advertisers worry that the 15-second unit will replace the 30-second standard but that prices will not be cut in half. Split-30s also have divided advertisers into two camps: Package-goods advertisers, who most readily could employ split-30s to advertise underbudgeted brands, and other service and big-ticket-item advertisers, for whom the split-30 is worthless. This latter group fears that the increase in split-30s by other advertisers will weaken the impact of their own advertising.

ABC approached JWT in August about the collaboration because "we wanted to acquire credibility. For a network to do this on a unilateral basis might open it to questions," explained Marvin Mord, vp-marketing and research services, ABC Inc.

The research project will cover two phases. A third phase dealing with "other issues," including commercial zapping, will be undertaken by JWT alone.

The first phase, which ended last week, included interviews with 30 persons who had watched a half-hour pilot comedy show supplied by ABC. The program had three commercial breaks. The first pod

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Crafted in the interim

Warwick Advertising's interim ad campaign for the Crafted with Pride U.S.A. Council uses provocative headlines to educate businessmen and consumers about the forthcoming "Made in U.S.A." labels. The bulk of the campaign, however, does not yet have an agency. Warwick is one of at least 10 agencies that will begin making presentations the first week in December (AA, Nov. 26).

CBS cable deal counters ABC

Sports rights bidding a key

By SUSAN SPILLMAN

New York—CBS' $57 million return to cable tv programing was a calculated move by the media giant to gain negotiating leverage in sports rights bidding and to counter ABC Inc.'s majority ownership of Entertainment & Sports Programming Network (AA, Nov. 12, *et seq.*).

It also gave CBS a virtually risk-free entry into the pay tv sports business, since team contracts already have been hammered out with the four regional sports services in which it purchased an equity interest.

CBS purchased equity in regional sports services in the New York area, Philadelphia, Chicago and New England, and two national pay tv networks—Bravo, a 4-year-old cultural service and American Movie Classics, a 2-month-old companion service.

"The deals give us some negotiating power when buying sports programing for CBS. It will especially make us competitive with ABC, which owns part of ESPN," said James Rosenfield, senior exec vp, CBS/Broadcast Group.

He added, "We targeted regional pay tv sports as an important area for us to get into several years ago, but in going it alone the economics just weren't right. This fits our strategic plan like a glove."

In 1983, CBS explored putting together sports networks in the San Francisco area and Cleveland.

As for Bravo, the service is expected to turn a profit for the first time by the end of this year. Mr. Rosenfield said Bravo represents an opportunity for CBS to show its programing expertise.

"We're in the tv business," said Mr. Rosenfield, "and pay tv is a part of the future of tv, so we should be in that too."

CBS had been in the basic cable adver-

(Continued on Page 4)

Barter films hurt nets

Advertisers take notice

By BOB MARICH

A new generation of barter syndication movies and specials are challenging—and sometimes beating—the three commercial tv networks in their stronghold of prime time.

"Clash of the Titans," an MGM/UA Television theatrical film syndicated to 110 tv stations covering 85% of U.S. tv households during November, is the latest example of the trend.

The movie beat or tied the three commercial networks' programing, including CBS' "Magnum, P.I.," during a Nov. 1 telecast in San Francisco via KTVU, Cox Communications' independent tv station. In San Francisco, "Clash" averaged a 12.4 rating/19 share in the A.C. Nielsen Co. ratings and a 14.7/23 in Arbitron Co. ratings. The measurements came during a crucial rating sweeps period.

High ratings for "Clash" are trickling in from other markets, too, although tv stations elsewhere often are scheduling the movie on a variety of nights. Because such syndication specials tend to air over a period of days or weeks and pop up irregularly, their impact has been largely overlooked by the tv industry. However, many advertisers are taking notice.

"Clash of the Titans" is just one syndicated movie beating the nets' prime time programs.

"The syndication market is a growing alternative to the [three commercial] tv networks in which you can get sizable national audiences," said Peter Spengler, vp-advertising sales at Bristol-Myers. B-M was a major sponsor of "Andrea Doria: The Final Chapter," an Aug. 16 prime time special about a sunken ocean liner, which posted a 19.5 rating nationally in the Nielsen Television Index. The highest network average during that week was ABC-TV's 13.3 rating.

More potent prime time syndication specials will surface in the weeks ahead.

A made-for-tv syndication movie starring Mickey Rooney, "It Came Upon the Midnight Clear," will air the week of Dec. 8. LBS Communications has lined up 110 tv stations covering 85% of U.S. tv homes to carry the drama. Columbia Pictures Television, a Coca-Cola Co. unit, produced the movie, and Coke is a half sponsor. Other major sponsors lined up by LBS are Beatrice Cos., Revlon Inc., Pillsbury Co., Procter & Gamble, American Cyanamid Co., Taylor

(Continued on Page 4)

FCB sees stars in syndication try

Los Angeles—Foote, Cone & Belding's tv programing arm is entering tv syndication for the first time with a series about Hollywood movies plucked from cable tv.

The program is "Seeing Stars," a weekly half-hour series in which stars talk about themselves and their movies. Orbis Communications, a New York barter-syndication company, will handle sales to broadcast tv stations and also national ads within the syndicated show.

"Seeing Stars" makes its syndication debut in April, at which time it will cease to run on USA Cable Network, where it started in June. FCB/Telecom, the agency's program arm responsible for five cable tv series, created the show as a sponsored cable series for Clorox Co., which will be the major sponsor of the syndicated version.

Jack McQueen, senior vp-director of FCB/Telecom, said the program's cable run proved it has audience-pulling power, particularly among young women, Clorox's target.

Past guests have included Sylvester Stallone, Bill Murray and Steve Martin.

Mr. McQueen believes the switch to broadcast syndication will increase "Seeing Stars" audience. He hopes that, as a syndicated vehicle, the series will reach about 70% of the U.S. (59 million tv households) compared with USA Cable Network's 32% penetration level (27.3 million tv homes).

Executive producer Dick Crew said tv stations carrying the show will get clips of star interviews suitable for plugging into the stations' news and local magazine programs as short reports.

"Alive & Well," Bristol-Myers Co.'s health series, made the transition to commercial tv syndication from cable tv in September. But that series, now on 15 tv stations, continues to air on USA Cable Network. Orbis Communications also is the syndicator of "Alive & Well," a five-day-a-week hour series in syndication.

Media budgeting needs creative touch

By HERB ZELTNER

One of the chronic yet important challenges facing media strategists is answering agency and client management questions about the ad budget:

What is my optimum spending rate? Why should I okay such a large increase? All my other expenses are being held tight so why should my advertising costs be allowed to go up so fast?

It's understandable that considerable management attention is focused on the matter.

After all, media costs are usually one of the largest expense categories for most marketing organizations.

In an attempt to find good solutions to next year's budget, media and marketing strategists traditionally resort to one of several techniques.

The most common is adjusting last year's budget to reflect changes in volume or revenue goals. This presumes a direct cause-and-effect relationship between advertising pressure and sales results. That may be possible in retail and direct response efforts, but it certainly is a forlorn hope in most national-brand image advertising.

Another approach is adjusting last year's budget by the level of anticipated change in inflation indexes—usually for the economy in general, but sometimes by projecting media cost increases. The problem often inherent in this process is that a marketer ends up spending more to stay even, and thereby does not improve his coverage over the previous year.

This is the second in a series of articles about the dramatic new challenges that confront media thinking and practices. Written by Herbert Zeltner, editor of Ad Age's Sounding Board and a media expert and advertising consultant, the articles deal with the developments and trends that are shaping management decisions of today's media operations. The editors of Advertising Age invite reader response to these articles.

A third and widely used technique is studying competitive spending levels and then reacting. One alternative would be to maintain "share of voice" by estimating what it takes to achieve the same percentage of total competitive spending in the category. This "share of voice" approach can be adjusted, depending on the market situation and management intent.

The problem with this approach is that the competitors' figures probably are incomplete and out of date.

A further drawback to competitive "framing" is that this concept cannot account for likely changes in the effectiveness of new creative and media moves by competitors.

Another approach to budgeting ad dollars is the surprisingly widespread use of a "leftover" technique. In this case, the ad budget is simply the total of all remaining revenue funds (plus a planned profit contribution) after other costs are subtracted.

As primitive as the approach may seem, it offers practicality. Its use also recognizes that we really know very little about optimizing media expenditures, but it doesn't consider potential gains in adver-

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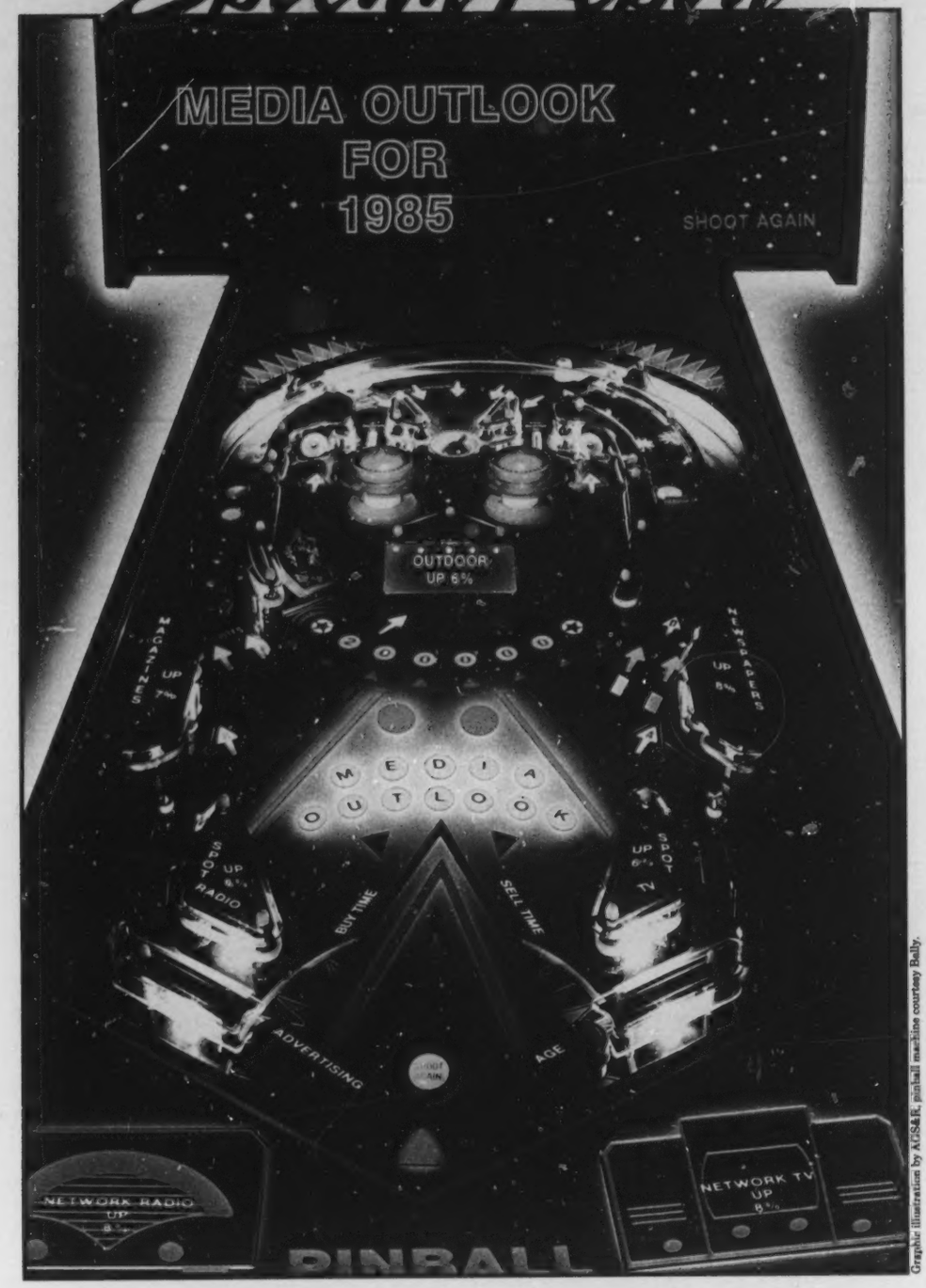
Special Report



Graphic illustration by AGS&R; pinball machine courtesy Bally.

Price increases to moderate in 1985

By Robert J. Coen

Media inflation in 1984 failed to track the general inflation rate, as had been expected. The composite increase of all media prices went from 7.1% in 1983 to 8.2% in 1984. The gross national product price deflator for the full year is expected to rise only 3.8%, as it did last year.

Since the middle of 1983, retailers and manufacturers have experienced a surge in pentup buyer demand. This is why media prices rose sharply again in 1984 while most other prices continued to move only moderately higher, in the range of 3% to 5%.

In 1985, the economic expansion will be considerably smaller than it has been, and next year's advertising activity will not receive the extra stimulus of the Olympics or the elections. The media inflation rate in 1985 most likely will be significantly lower than it has been this year.

Media price trends

Media price trends correlate with total inflation over long periods of time, but shifts in supply and demand are the major explanations for short-term price changes.

Because network tv prices have been rising faster than inflation and most other media prices, this category provides an ideal illustration of the way these variables influence price changes for the perishable time and space units of all media.

Shifts in supply and demand are the major explanations for short-term price changes.

Brief observations about the recent trends in the other major media follow the more detailed review of network tv trends.

Network tv

Tv clearly has demonstrated that it can produce awareness and a minimal amount of information about products faster than any other medium. As a result, the demand for network time has grown nearly every year for a third of a century.

The table on p. 12 indicates what has happened to prime-time commercial prices between 1973 and 1983 as a result of the limited supply of prime-time inventory.

In 1973, all three networks combined had only 20,436 minutes of prime evening commercial time to sell. The increase to 23,980 minutes 10 years later is insignificant when considered in relation to the thousands of different brands bidding for these time slots.

For example, National Scanning Services, a subsidiary of NABSCAN USA, has nearly 300,000 product codes in its scanner dictionary. Some brands have three or four codes, but NABSCAN estimates there are more than 50,000 brands sold in supermarkets alone.

Ten years ago, five major product categories—food, toiletries, drugs, soaps and household supplies—accounted for 59% of all network revenues and, whenever their demand softened, network price rises were quite modest. In 1983, these advertisers accounted for only 48% of network revenues while new big spenders widened

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Robert J. Coen is senior vp-director of forecasting, McCann-Erickson, New York.